



## **Partial Service Retirement**



*California  
Public  
Employees'  
Retirement  
System*





## **Partial Service Retirement**

Partial service retirement is a benefit available to state miscellaneous, state industrial, and local agency (if contracted for) members who meet age and service requirement allowance.

With partial service retirement, you can reduce your work time, continue working, and receive a “partial” service retirement allowance.

### **How It Works**

If you are eligible, you may reduce your work time by at least 20%, but not more than 60%. In other words, you must work at least 40% of full time, but not more than 80%.

Your agency must approve your request to reduce your work time for partial retirement.

Your partial retirement allowance is based on the reduction of your work time. For example, if you reduce your work time by 30% (working 70% of full time), your allowance would be 30% of what you would receive if you took a full service retirement.

Once your partial service retirement begins, you may decrease your already reduced work time once each fiscal year. You may increase your work time only once every five years. Changes to your work time must be approved by your employer.

You may end your partial service retirement at any time, and return to full-time employment with your employer’s approval. Once you withdraw, you cannot reapply for five years.

## **Eligibility Requirements**

You are eligible for partial service retirement if:

- you are a full–time state miscellaneous, state industrial or local agency member, *and*
- you are a first–tier member at least age 50 with 20 years state service, *or*
- you are a second–tier member at least age 55 with 20 years state service, *or*
- you have met the minimum requirement for years of service credit and age at retirement, and your age and years of service total 65 years or more.

State miscellaneous and state industrial members may be first–tier or second–tier members. Local agency members are first–tier only.

(University of California and state college employees are not eligible for partial service retirement.)

## How To Apply

Your Personnel Office has the necessary form, Partial Service Retirement Application (DPA-062). To ensure timely processing, submit your completed application to CalPERS at least 60 days before your effective date of partial retirement. The effective date must be the same date of your work time reduction and can be the first day of any pay period.

Remember, you must receive departmental approval before you can apply.

**Note:** When corresponding with CalPERS be sure to include your Social Security number and daytime telephone on all written inquiries and documents.



### **Black Bear**

*Ursus americanus*

Resides primarily in mountainous areas. Usually solitary, except the female with cubs. Eats berries, nuts, tubers, insects and their larvae, small mammals, eggs, honey, carrion, and garbage.

Can run up to 30 mph for short distances. May live up to 30 years or more.

## Estimating Your Allowance

To estimate your partial retirement allowance, you will need to know your years of service credit, benefit factor, and final compensation; these are explained below. Examples and space to estimate your allowance are on Pages 6 and 7.

### Service Credit

This is the amount of CalPERS-covered service you have earned. Refer to your last CalPERS Annual Member Statement and add any service credit you have earned since that time.

#### **Badger**

*Taxidea taxus*

*This heavy-bodied, short legged, yellowish-grey mammal is sometimes seen along the highway in the early morning but is mostly nocturnal. As a great digger, it digs out small rodents as its chief food.*



## ***Benefit Factor***

Your benefit factor is the percent of pay to which you are entitled for each year of service. It is determined by your age at partial retirement. Refer to your member booklet for your benefit factor table. This booklet is available through your employer or any CalPERS office.

## ***Final Compensation***

This is your average monthly pay rate for the 1-year or consecutive 3-year period of employment, whichever your agency has contracted for. You may elect a different 1-year or consecutive 3-year period, if it produces a higher average monthly pay rate.

If your CalPERS first-tier service was coordinated with Social Security, you must reduce your final compensation \$133.33.

If your CalPERS first-tier service was not coordinated with Social Security, or you are second-tier member, do not reduce your final compensation.

## Estimating Your Allowance

### *Examples*

We have used the following information for our examples:

Age at partial retirement	=	60
Years of service credit	=	25
Final compensation	=	\$3,000
Reduction of work time	=	40%

#### **1. First-Tier Members Coordinated With Social Security**

$$\frac{25}{\text{Service Credit}} \times \frac{2.000\%}{\text{Benefit Factor}} = \frac{50\%}{\text{}} \times \frac{\$2,866.67^*}{\text{Final Compensation}}$$

#### **2. First-Tier Members Not Coordinated With Social Security**

$$\frac{25}{\text{Service Credit}} \times \frac{2.000\%}{\text{Benefit Factor}} = \frac{50\%}{\text{}} \times \frac{\$3,000}{\text{Final Compensation}}$$

#### **3. Second-Tier Members**

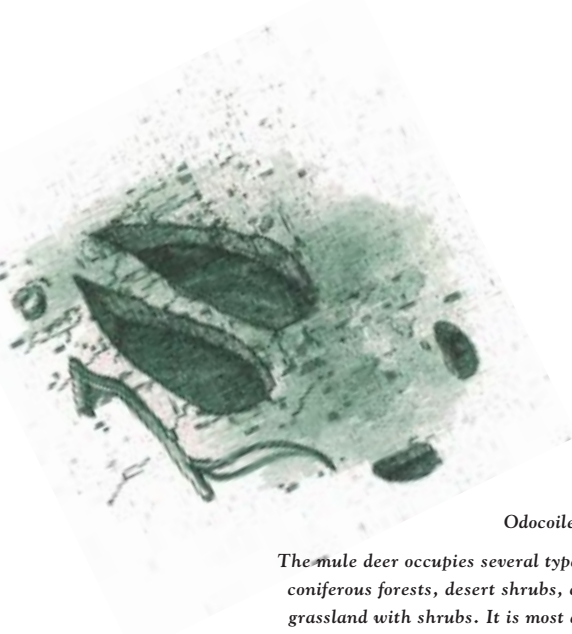
$$\frac{25}{\text{Service Credit}} \times \frac{1.000\%}{\text{Benefit Factor}} = \frac{25\%}{\text{}} \times \frac{\$3,000}{\text{Final Compensation}}$$

#### **Your Case**

$$\frac{\text{ }}{\text{Service Credit}} \times \frac{\text{ }}{\text{Benefit Factor}} = \frac{\text{ }}{\text{ }} \times \frac{\text{ }}{\text{Final Compensation}}$$

\*Remember, if you are a first-tier member and your service was coordinated with Social Security, you must reduce your final compensation by \$133.33.





**Mule Deer**

*Odocoileus hemionus*

*The mule deer occupies several types of habitat: coniferous forests, desert shrubs, chaparral, or grassland with shrubs. It is most active during the morning, evenings, and moonlight nights.*

*Normal life span is about 16 years.*

$$= \frac{\$1,433.34}{\text{Full Service Retirement Allowance}} \times \frac{40\%}{\text{Work Time Reduction}} = \frac{\$573.34}{\text{Partial Retirement Allowance}}$$

$$= \frac{\$1,500}{\text{Full Service Retirement Allowance}} \times \frac{40\%}{\text{Work Time Reduction}} = \frac{\$600}{\text{Partial Retirement Allowance}}$$

$$= \frac{\$750}{\text{Full Service Retirement Allowance}} \times \frac{40\%}{\text{Work Time Reduction}} = \frac{\$300}{\text{Partial Retirement Allowance}}$$

$$= \frac{\quad}{\text{Full Service Retirement Allowance}} \times \frac{\quad}{\text{Work Time Reduction}} = \frac{\quad}{\text{Partial Retirement Allowance}}$$



## **Other Considerations**

### *Allowance Adjustments*

Your partial service retirement allowance will be based on your age, salary, and service at the date of your initial entry into the program. A salary increase after entering the program will not change your partial service retirement allowance. If you increase or decrease your work time percentage, your new allowance will be based on the original allowance. There are no provisions for cost-of-living increases to partial service retirement allowance.

### *Changing Jobs*

You may transfer from one agency to another and continue your partial retirement as long as you remain a state miscellaneous, state industrial, or local agency member and your new employer approves your continuation in the program.

### *Separating from Employment*

If you permanently separate from state or local agency employment, you cannot continue your partial retirement. You may, however, apply for a full service retirement (see your CalPERS member booklet), terminate your CalPERS membership and receive a refund of your contributions plus interest, or leave your contributions on deposit with CalPERS and apply for retirement or a refund at some time in the future.



### ***Full Service Retirement***

You may apply for full service retirement at any time by submitting the Application For Service Retirement (PERS-PUB-369S).

However, it is to your advantage to earn at least one year of service credit under partial retirement before doing so. Your full service retirement allowance will be calculated differently if you have less than one year of service credit under partial retirement. This could affect the amount of your full retirement allowance. Contact your nearest CalPERS Area or Field Office for an estimate and an explanation of your full service retirement.

**Note:** Since your work time under partial service retirement is less than full time, it will take more than one fiscal year to earn one year of CalPERS service credit.

### ***Retired Annuitant***

If it is your intention to decrease your work time to almost half, you may want to consider working as a retired annuitant. The law allows for a member to work almost half time and collect his or her full retirement allowance.

If you wish to consider this alternative, please consult your employer regarding this possibility. If your employer approves this request, contact CalPERS for more detailed information.



## ***Taxes***

Only appropriate income taxes can be deducted from your partial retirement allowance.

You will receive a 1099R annually, reporting the gross amount you have received as a partial retirement allowance for each tax year you participate.

CalPERS cannot advise you about the taxability of your partial retirement allowance. When you begin your partial retirement, CalPERS will send you a letter showing the amount of your contributions, including credited interest, set aside to help pay for your partial retirement. You must contact the IRS, Franchise Tax Board, or your personal tax consultant to determine your tax liability under this program.

## ***Payroll Deductions***

Any payroll deductions you have (health and life insurance premiums, union dues, credit union payments, deferred compensation, etc.) must be taken from your salary. If you have any questions regarding payroll deductions, contact your Personnel Office.

## ***Health and Dental Insurance***

Your health and dental plans are not affected by partial retirement. Remember, though, that any premium payments will be deducted from your salary and not your partial retirement allowance.



### ***Social Security***

You may draw Social Security benefits while receiving your partial retirement allowance; however, your earnings—salary and partial retirement allowance combined—may cause an offset to your Social Security benefits. Contact your local Social Security office for information.

### ***Injury, Illness, Or Leaves Of Absence***

If you are unable to perform your job because of an injury or illness, you may be eligible for disability retirement. For more information, ask your employer or any CalPERS office for a copy of our brochure, ***Disability Retirement*** (PERS–PUB–10).

If your injury or illness requires that you take a leave of absence or go on Non–Industrial Disability Leave, you can continue your partial retirement with your employer’s consent. You may also remain in the program if you require other types of leave. Contact your Personnel Office for information.

### ***Provisions for Beneficiaries***

There are no provisions which allow you to provide benefits to someone after your death other than the same pre–retirement death benefits for members not participating in the program. All death benefits are explained in your CalPERS member booklet.

A portion of your contributions is used to help pay for your partial retirement. So any benefit which includes a return of your contributions plus interest to a beneficiary will be affected.



## **For More Information**

**Benefit Application Services Division**

P.O. Box 942711

Sacramento, CA 94229-2711

(916) 326-3232

(916) 326-3240 – Teletypewriter (TTY)

(916) 326-3934 – Fax

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



## How Did You Like This Brochure

If you would like to share your opinion of this brochure, please send us your ideas. Your constructive comments can help us make this brochure even better. Please answer the questions below and mail this page to the following address:

California Public Employees' Retirement System  
Office of Public Affairs  
P.O. Box 1802, Sacramento, CA 95812-1802

1. This brochure is designed to provide an overview of retirement information. Did you get a useful overview of the information from reading this brochure?  
☐ Yes ☐ No If no, what do you find lacking?

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2. Did you have questions after reading any sections?  
☐ Yes ☐ No If yes, in what sections do you have questions, and what are your questions?

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3. Did you find any sections particularly helpful?  
☐ Yes ☐ No If yes, which sections?

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4. Did you find yourself wanting additional information on any subjects?  
☐ Yes ☐ No If yes, which subjects?

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5. If you have other comments, please share them below.

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